

Illinois-American Water Company  
Statement of Operating Income with Adjustments  
For the Test Year Ended December 31, 2001  
Champaign District

Line No	Description (A)	Company Pro Forma (C-2) (B)	Adjustments (Sch 2-CP) (C)	Adjusted Company Pro Forma (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Gross Revenue Conversion Factor (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 15,558,796	\$ -	\$ 15,558,796	\$ 1,519,095	\$ (4,493)	\$ 17,073,398	\$ (407,273)	\$ 16,666,125		
2	Other Operating Revenue	<u>178,629</u>	<u>-</u>	<u>178,629</u>	<u>-</u>	<u>-</u>	<u>178,629</u>	<u>-</u>	<u>178,629</u>		
3	Total Operating Revenue	15,737,425	-	15,737,425	1,519,095	(4,493)	17,252,027	(407,273)	16,844,754	<u>\$ 1,107,329</u>	<u>7.04%</u>
4											
5	Uncollectible Accounts	59,930	-	59,930	9,976	(30)	69,876	(2,675)	67,201		
6	Salaries & Wages	3,001,818	-	3,001,818	-	-	3,001,818	-	3,001,818		
7	Employee Benefits	845,131	-	845,131	-	-	845,131	-	845,131		
8	Operating Expenses	1,828,807	-	1,828,807	-	-	1,828,807	-	1,828,807		
9	Maintenance - Other	490,804	-	490,804	-	-	490,804	-	490,804		
10	Administrative & General Expenses	1,323,634	(31,749)	1,291,885	-	-	1,291,885	-	1,291,885		
11	Regulatory Expense	22,515	(1,724)	20,791	-	-	20,791	-	20,791		
12	Miscellaneous	1,078,979	(4,227)	1,074,752	-	-	1,074,752	-	1,074,752		
13	Depreciation & Amortization Expense	2,425,163	-	2,425,163	-	-	2,425,163	-	2,425,163		
14	Taxes Other Than Income Tax	805,737	-	805,737	1,643	(1,643)	805,737	-	805,737		
15		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
16	Total Operating Expense										
17	Before Income Taxes	11,882,518	(37,700)	11,844,818	11,619	(1,673)	11,854,764	(2,675)	11,852,089		
18											
19	State Income Tax	65,092	1,664	66,756	60,455	(297)	126,914	(16,177)	110,737		
20	Federal Income Tax	679,950	13,988	693,938	508,098	(2,524)	1,199,512	(135,947)	1,063,565		
21	Deferred Taxes and ITCs Net	<u>(95,305)</u>	<u>-</u>	<u>(95,305)</u>	<u>-</u>	<u>-</u>	<u>(95,305)</u>	<u>-</u>	<u>(95,305)</u>		
22	Total Operating Expenses	<u>12,532,255</u>	<u>(22,048)</u>	<u>12,510,207</u>	<u>580,172</u>	<u>(4,494)</u>	<u>13,085,885</u>	<u>(154,799)</u>	<u>12,931,086</u>		
23											
24	NET OPERATING INCOME	<u>\$ 3,205,170</u>	<u>\$ 22,048</u>	<u>\$ 3,227,218</u>	<u>\$ 938,923</u>	<u>\$ 1</u>	<u>\$ 4,166,142</u>	<u>\$ (252,474)</u>	<u>\$ 3,913,668</u>		
25	Rate Base								<u>\$ 46,612,929</u>	(1)	
26	Overall Rate of Return								<u>8.40%</u>	(2)	

(1) Source: Appendix B, Schedule 1-CP, Column (D).

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company  
Adjustments to Operating Income  
For the Test Year Ended December 31, 2001  
Champaign District

Line No	Description	Champaign Office									Total Operating Statement Adjustments
		Interest Synchron- ization (St. Ex 6.0	Rate Case Expense (St. Ex 1.0	Charitable Contributions Expense (St. Ex 1.0	Building Lease Expense (St. Ex 1.0						
		Sch 6.6-CP)	Sch 1.9-CP)	Sch 1.10-CP)	Sch 1.12-CP)	(Source)	(Source)	(Source)	(Source)	(Source)	
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(31,749)	-	-	-	-	-	(31,749)
11	Regulatory Expense	-	(1,724)	-	-	-	-	-	-	-	(1,724)
12	Miscellaneous	-	-	(4,227)	-	-	-	-	-	-	(4,227)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(1,724)	(4,227)	(31,749)	-	-	-	-	-	(37,700)
18											
19	State Income Tax	157	69	169	1,269	-	-	-	-	-	1,664
20	Federal Income Tax	1,321	579	1,420	10,668	-	-	-	-	-	13,988
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	1,478	(1,076)	(2,638)	(19,812)	-	-	-	-	-	(22,048)
23											
24	NET OPERATING INCOME	\$ (1,478)	\$ 1,076	\$ 2,638	\$ 19,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,048

Illinois-American Water Company  
Statement of Operating Income with Adjustments  
For the Test Year Ended December 31, 2001  
Pontiac District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Adjustments (Sch 2-PT) (C)	Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Gross Revenue Conversion Factor (F)	Proposed Rates with Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col. I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,441,802	\$ -	\$ 2,441,802	\$ 131,414	\$ (642)	\$ 2,572,574	\$ (66,398)	\$ 2,506,176		
2	Other Operating Revenue	5,800	-	5,800	-	-	5,800	-	5,800		
3	Total Operating Revenue	2,447,602	-	2,447,602	131,414	(642)	2,578,374	(66,398)	2,511,976	\$ 64,374	2.63%
4											
5	Uncollectible Accounts	7,757	-	7,757	863	(4)	8,616	(436)	8,180		
6	Salaries & Wages	542,210	-	542,210	-	-	542,210	-	542,210		
7	Employee Benefits	89,001	-	89,001	-	-	89,001	-	89,001		
8	Operating Expenses	110,706	-	110,706	-	-	110,706	-	110,706		
9	Maintenance - Other	107,270	-	107,270	-	-	107,270	-	107,270		
10	Administrative & General Expenses	162,327	(1,682)	160,645	-	-	160,645	-	160,645		
11	Regulatory Expense	2,101	(161)	1,940	-	-	1,940	-	1,940		
12	Miscellaneous	125,704	(393)	125,311	-	-	125,311	-	125,311		
13	Depreciation & Amortization Expense	343,310	-	343,310	-	-	343,310	-	343,310		
14	Taxes Other Than Income Tax	131,753	-	131,753	142	(142)	131,753	-	131,753		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	1,622,139	(2,236)	1,619,903	1,005	(146)	1,620,762	(436)	1,620,326		
18											
19	State Income Tax	18,523	107	18,630	5,247	(53)	23,824	(2,637)	21,187		
20	Federal Income Tax	168,070	906	168,976	44,095	(443)	212,628	(22,164)	190,464		
21	Deferred Taxes and ITCs Net	(15,936)	-	(15,936)	-	-	(15,936)	-	(15,936)		
22	Total Operating Expenses	1,792,796	(1,223)	1,791,573	50,347	(642)	1,841,278	(25,237)	1,816,041		
23											
24	NET OPERATING INCOME	\$ 654,806	\$ 1,223	\$ 656,029	\$ 81,067	\$ (0)	\$ 737,096	\$ (41,161)	\$ 695,935		
25	Rate Base								\$ 8,283,265	(1)	
26	Overall Rate of Return								8.40%	(2)	

- (1) Source: Appendix B, Schedule 2-PT, Column (D).  
(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.  
(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company  
Adjustments to Operating Income  
For the Test Year Ended December 31, 2001  
Pontiac District

Line No	Description (A)	Champaign Office										Total Operating Statement Adjustments (K)
		Interest Synchron- ization (St. Ex 6.0 Sch 6.6-PT) (B)	Rate Case Expense (St. Ex 1.0 Sch 1.9-PT) (C)	Charitable Contributions Expense (St. Ex 1.0 Sch 1.10-PT) (D)	Building Lease Expense (St. Ex 1.0 Sch 1.12-PT) (E)	(Source) (F)	(Source) (G)	(Source) (H)	(Source) (I)	(Source) (J)		
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-	
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-	
4												
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-	
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-	
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-	
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-	
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-	
10	Administrative & General Expenses	-	-	-	(1,682)	-	-	-	-	-	(1,682)	
11	Regulatory Expense	-	(161)	-	-	-	-	-	-	-	(161)	
12	Miscellaneous	-	-	(393)	-	-	-	-	-	-	(393)	
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-	
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-	
15		-	-	-	-	-	-	-	-	-	-	
16	Total Operating Expense											
17	Before Income Taxes	-	(161)	(393)	(1,682)	-	-	-	-	-	(2,236)	
18												
19	State Income Tax	18	6	16	67	-	-	-	-	-	107	
20	Federal Income Tax	155	54	132	565	-	-	-	-	-	906	
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-	
22	Total Operating Expenses	173	(101)	(245)	(1,050)	-	-	-	-	-	(1,223)	
23												
24	NET OPERATING INCOME	\$ (173)	\$ 101	\$ 245	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,223	

Illinois-American Water Company  
Statement of Operating Income with Adjustments  
For the Test Year Ended December 31, 2001  
Southern & Peoria Districts

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Adjustments (Sch 2-S&P) (C)	Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Gross Revenue Conversion Factor (F)	Proposed Rates with Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) s	% Revenue Change (3) (K)
1	Water Sales	\$68,225,977	\$ -	\$ 68,225,977	\$ 6,798,793	\$ (20,890)	\$75,003,880	\$ (1,209,863)	\$ 73,794,017		
2	Other Operating Revenue	528,140	-	528,140	-	-	528,140	-	528,140		
3	Total Operating Revenue	68,754,117	-	68,754,117	6,798,793	(20,890)	75,532,020	(1,209,863)	74,322,157	\$ 5,568,040	8.10%
4											
5	Uncollectible Accounts	540,605	-	540,605	44,648	(138)	585,115	(7,945)	577,170		
6	Salaries & Wages	11,638,307	-	11,638,307	-	-	11,638,307	-	11,638,307		
7	Employee Benefits	3,715,672	-	3,715,672	-	-	3,715,672	-	3,715,672		
8	Operating Expenses	5,720,649	415,000	6,135,649	-	-	6,135,649	-	6,135,649		
9	Maintenance - Other	2,426,642	(80,173)	2,346,469	-	-	2,346,469	-	2,346,469		
10	Administrative & General Expenses	3,650,174	-	3,650,174	-	-	3,650,174	-	3,650,174		
11	Regulatory Expense	67,434	(5,161)	62,273	-	-	62,273	-	62,273		
12	Miscellaneous	3,458,043	(15,903)	3,442,140	-	-	3,442,140	-	3,442,140		
13	Depreciation & Amortization Expense	12,844,009	643,042	13,487,051	-	-	13,487,051	-	13,487,051		
14	Taxes Other Than Income Tax	4,305,238	(25,391)	4,279,847	7,353	(7,353)	4,279,847	-	4,279,847		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	48,366,773	931,414	49,298,187	52,001	(7,491)	49,342,697	(7,945)	49,334,752		
18											
19	State Income Tax	524,732	(2,071)	522,661	270,665	(1,453)	791,873	(48,055)	743,818		
20	Federal Income Tax	4,808,260	(17,391)	4,790,869	2,274,410	(11,946)	7,053,333	(403,852)	6,649,481		
21	Deferred Taxes and ITCs Net	(1,093,571)	(280,423)	(1,373,994)	-	-	(1,373,994)	-	(1,373,994)		
22	Total Operating Expenses	52,606,194	631,529	53,237,723	2,597,076	(20,890)	55,813,909	(459,852)	55,354,057		
23											
24	NET OPERATING INCOME	\$16,147,923	\$ (631,529)	\$ 15,516,394	\$ 4,201,717	\$ -	\$19,718,111	\$ (750,011)	\$ 18,968,100		
25	Rate Base								\$ 225,915,606	(1)	
26	Overall Rate of Return								8.40%	(2)	

(1) Appendix B, Schedule 1-S&P, Column (D).

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company  
Adjustments to Operating Income  
For the Test Year Ended December 31, 2001  
Southern & Peoria Districts

Line No	Description	Interest Synchron-ization (St. Ex 6.0 Sch 6.6-S&P) (B)	Rate Case Expense (St. Ex 1.0 Sch 1.9-S&P) (C)	Charitable Contributions Expense (St. Ex 1.0 Sch 1.10-S&P) (D)	Alton Plant Property Tax Expense (St. Ex 1.0 Sch 1.12-S&P) (E)	Reengineering Costs (St. Ex 1.0 Sch 1.13-S&P) (F)	Sold Waste Disposal Expense (St. Ex 1.0 Sch 1.14-S&P) (G)	Deferred Income Taxes (St. Ex 6.0 Sch 6.8-S&P) (H)	Depreciation Expense (St. Ex 7.0 Sch 7.1-S&P) (I)	Utility Plant In Service (St. Ex 7.0 Sch 7.2-S&P) (J)	Total Operating Statement Adjustments (K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	415,000	-	-	-	415,000
9	Maintenance - Other	-	-	-	-	(80,173)	-	-	-	-	(80,173)
10	Administrative & General Expenses	-	-	-	-	-	-	-	-	-	-
11	Regulatory Expense	-	(5,161)	-	-	-	-	-	-	-	(5,161)
12	Miscellaneous	-	-	(15,903)	-	-	-	-	-	-	(15,903)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	745,830	(102,788)	643,042
14	Taxes Other Than Income Tax	-	-	-	(25,391)	-	-	-	-	-	(25,391)
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(5,161)	(15,903)	(25,391)	(80,173)	415,000	-	745,830	(102,788)	931,414
18											
19	State Income Tax	5,350	206	636	1,015	3,205	(16,593)	-	-	4,110	(2,071)
20	Federal Income Tax	44,965	1,734	5,344	8,532	26,939	(139,442)	-	-	34,537	(17,391)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	(280,423)	-	-	(280,423)
22	Total Operating Expenses	50,315	(3,221)	(9,923)	(15,844)	(50,029)	258,965	(280,423)	745,830	(64,141)	631,529
23											
24	NET OPERATING INCOME	\$ (50,315)	\$ 3,221	\$ 9,923	\$ 15,844	\$ 50,029	\$ (258,965)	\$ 280,423	\$ (745,830)	\$ 64,141	\$ (631,529)

Illinois-American Water Company  
Statement of Operating Income with Adjustments  
For the Test Year Ended December 31, 2001  
Sterling District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Adjustments (Sch 2-STG) (C)	Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Gross Revenue Conversion Factor (F)	Proposed Rates with Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,359,140	\$ -	\$ 2,359,140	\$ 221,740	\$ (619)	\$ 2,580,261	\$ (52,159)	\$ 2,528,102		
2	Other Operating Revenue	11,260	-	11,260	-	-	11,260	-	11,260		
3	Total Operating Revenue	2,370,400	-	2,370,400	221,740	(619)	2,591,521	(52,159)	2,539,362	\$ 168,962	7.13%
4											
5	Uncollectible Accounts	4,942	-	4,942	1,456	(4)	6,394	(343)	6,051		
6	Salaries & Wages	533,625	-	533,625	-	-	533,625	-	533,625		
7	Employee Benefits	127,044	-	127,044	-	-	127,044	-	127,044		
8	Operating Expenses	153,386	-	153,386	-	-	153,386	-	153,386		
9	Maintenance - Other	105,774	-	105,774	-	-	105,774	-	105,774		
10	Administrative & General Expenses	247,459	(2,634)	244,825	-	-	244,825	-	244,825		
11	Regulatory Expense	3,288	(252)	3,036	-	-	3,036	-	3,036		
12	Miscellaneous	214,476	(410)	214,066	-	-	214,066	-	214,066		
13	Depreciation & Amortization Expense	319,556	-	319,556	-	-	319,556	-	319,556		
14	Taxes Other Than Income Tax	154,534	-	154,534	240	(240)	154,534	-	154,534		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	1,864,084	(3,296)	1,860,788	1,696	(244)	1,862,240	(343)	1,861,897		
18											
19	State Income Tax	8,507	156	8,663	8,823	(40)	17,446	(2,072)	15,374		
20	Federal Income Tax	90,910	1,315	92,225	74,145	(335)	166,035	(17,410)	148,625		
21	Deferred Taxes and ITCs Net	(7,323)	-	(7,323)	-	-	(7,323)	-	(7,323)		
22	Total Operating Expenses	1,956,178	(1,825)	1,954,353	84,664	(619)	2,038,398	(19,825)	2,018,573		
23											
24	NET OPERATING INCOME	\$ 414,222	\$ 1,825	\$ 416,047	\$ 137,076	\$ -	\$ 553,123	\$ (32,334)	\$ 520,789		
25	Rate Base								\$ 6,198,619	(1)	
26	Overall Rate of Return								8.40%	(2)	

(1) Source: Appendix B, Schedule 1-STG, Column (D).

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Line No	Description (A)	Interest	Rate	Charitable	Champaign Office						Total
		Synchron- ization (St. Ex 6.0 Sch 6.6-STG)	Case Expense (St. Ex 1.0 Sch 1.9-STG)	Contributions Expense (St. Ex 1.0 Sch 1.10-STG)	Building Lease Expense (St. Ex 1.0 Sch 1.12-STG)	(Source)	(Source)	(Source)	(Source)	(Source)	Operating Statement Adjustments (K)
		(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(2,634)	-	-	-	-	-	(2,634)
11	Regulatory Expense	-	(252)	-	-	-	-	-	-	-	(252)
12	Miscellaneous	-	-	(410)	-	0	-	-	-	-	(410)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(252)	(410)	(2,634)	-	-	-	-	-	(3,296)
18											
19	State Income Tax	25	10	16	105	-	-	-	-	-	156
20	Federal Income Tax	207	85	138	885	-	-	-	-	-	1,315
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	232	(157)	(256)	(1,644)	-	-	-	-	-	(1,825)
23											
24	NET OPERATING INCOME	\$ (232)	\$ 157	\$ 256	\$ 1,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,825



Illinois-American Water Company  
Statement of Operating Income with Adjustments  
For the Test Year Ended December 31, 2001  
Streator District

Line No	Description (A)	Company Pro Forma Present (C-2) (B)	Adjustments (Sch 2-STR) (C)	Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (C-1) (E)	Gross Revenue Conversion Factor (F)	Proposed Rates with Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Water Sales	\$ 2,739,793	\$ -	\$ 2,739,793	\$ 285,951	\$ (821)	\$ 3,024,923	\$ (75,375)	\$ 2,949,548		
2	Other Operating Revenue	11,200	-	11,200	-	-	11,200	-	11,200		
3	Total Operating Revenue	2,750,993	-	2,750,993	285,951	(821)	3,036,123	(75,375)	2,960,748	\$ 209,755	7.62%
4											
5	Uncollectible Accounts	8,108	-	8,108	1,878	(6)	9,980	(495)	9,485		
6	Salaries & Wages	682,899	-	682,899	-	-	682,899	-	682,899		
7	Employee Benefits	151,330	-	151,330	-	-	151,330	-	151,330		
8	Operating Expenses	117,236	-	117,236	-	-	117,236	-	117,236		
9	Maintenance - Other	77,431	-	77,431	-	-	77,431	-	77,431		
10	Administrative & General Expenses	261,901	(3,092)	258,809	-	-	258,809	-	258,809		
11	Regulatory Expense	3,854	(295)	3,559	-	-	3,559	-	3,559		
12	Miscellaneous	201,703	(501)	201,202	-	-	201,202	-	201,202		
13	Depreciation & Amortization Expense	402,228	-	402,228	-	-	402,228	-	402,228		
14	Taxes Other Than Income Tax	161,162	-	161,162	309	(309)	161,162	-	161,162		
15		-	-	-	-	-	-	-	-		
16	Total Operating Expense										
17	Before Income Taxes	2,067,852	(3,888)	2,063,964	2,187	(315)	2,065,836	(495)	2,065,341		
18											
19	State Income Tax	11,179	263	11,442	11,379	(54)	22,767	(2,994)	19,773		
20	Federal Income Tax	116,706	2,203	118,909	95,629	(452)	214,086	(25,160)	188,926		
21	Deferred Taxes and ITCs Net	(14,104)	-	(14,104)	-	-	(14,104)	-	(14,104)		
22	Total Operating Expenses	2,181,633	(1,422)	2,180,211	109,195	(821)	2,288,585	(28,649)	2,259,936		
23											
24	NET OPERATING INCOME	\$ 569,360	\$ 1,422	\$ 570,782	\$ 176,756	\$ -	\$ 747,538	\$ (46,726)	\$ 700,812		
25	Rate Base								\$ 8,341,317	(1)	
26	Overall Rate of Return									8.40%	(2)

(1) Source: Appendix B, Schedule 1-STR, Column (D).

(2) Source: ICC Staff Ex. 8.0, Schedule 8.1.

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Illinois-American Water Company  
Adjustments to Operating Income  
For the Test Year Ended December 31, 2001  
Streator District

Line No	Description (A)	Interest Synchron- ization (St. Ex 6.0 <u>Sch 6.6-STR</u> (B)	Rate Case Expense (St. Ex 1.0 <u>Sch 1.9-STR</u> (C)	Charitable Contributions Expense (St. Ex 1.0 <u>Sch 1.10-STR</u> (D)	Champaign Office Building Lease Expense (St. Ex 1.0 <u>Sch 1.12-STR</u> (E)	(Source) (F)	(Source) (G)	(Source) (H)	(Source) (I)	(Source) (J)	Total Operating Statement Adjustments (K)
1	Water Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-	-	-
4											
5	Uncollectible Accounts	-	-	-	-	-	-	-	-	-	-
6	Salaries & Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Benefits	-	-	-	-	-	-	-	-	-	-
8	Operating Expenses	-	-	-	-	-	-	-	-	-	-
9	Maintenance - Other	-	-	-	-	-	-	-	-	-	-
10	Administrative & General Expenses	-	-	-	(3,092)	-	-	-	-	-	(3,092)
11	Regulatory Expense	-	(295)	-	-	-	-	-	-	-	(295)
12	Miscellaneous	-	-	(501)	-	-	-	-	-	-	(501)
13	Depreciation & Amortization Expense	-	-	-	-	-	-	-	-	-	-
14	Taxes Other Than Income Tax	-	-	-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-	-	-
16	Total Operating Expense										
17	Before Income Taxes	-	(295)	(501)	(3,092)	-	-	-	-	-	(3,888)
18											
19	State Income Tax	107	12	20	124	-	-	-	-	-	263
20	Federal Income Tax	897	99	168	1,039	-	-	-	-	-	2,203
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
22	Total Operating Expenses	1,004	(184)	(313)	(1,929)	-	-	-	-	-	(1,422)
23											
24	NET OPERATING INCOME	\$ (1,004)	\$ 184	\$ 313	\$ 1,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,422